

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7166

BILL NUMBER: HB 1125

NOTE PREPARED: Dec 30, 2002

BILL AMENDED:

SUBJECT: Utility Subsidies to Affiliates.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that certain public utilities may not provide certain subsidies to affiliates or unregulated activities. The bill provides remedies if a public utility violates the prohibition on subsidies.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The prohibition of certain public utilities from providing subsidies to unregulated affiliates could have a minimal administrative impact on the Indiana Utility Regulatory Commission (IURC). The bill allows a person suffering a pecuniary loss from a violation of this provision to file a civil action and a complaint with the IURC. At the Commission's discretion, it may investigate the complaint and take appropriate measures to remedy the situation. It is presumed that the IURC could use available resources to cover any administrative costs associated with this proposal.

Background on IURC and OUCC Funding: The operating budgets of the IURC and Office of the Utility Consumer Counselor (OUCC) are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2002, fees from the utilities and fines generated approximately \$9.5 M.

Explanation of State Revenues: *Court Fee Revenue:* If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a

civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected: Indiana Utility Regulatory Commission.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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